Manitoba

Annual Report 1988

Public Investments Corporation of Manitoba

89-05934/

PUBLIC INVESTMENTS CORPORATION OF MANITOBA

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Winnipeg, April 3, 1989

To His Honour
The Honourable George Johnson
Lieutenant-Governor of the Province of Manitoba

May It Please Your Honour:

I have the honour to submit the Annual Report of the Public Investments Corporation of Manitoba for the fiscal year ending December 31, 1988.

Respectfully submitted,

Clayton Manness

Honourable Clayton Manness
Minister responsible for
Public Investments Corporation of Manitoba

ANNUAL REPORT

PUBLIC INVESTMENTS CORPORATION OF MANITOBA

FOR THE FISCAL YEAR ENDING DECEMBER 31, 1988

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BOARD OF DIRECTORS

Honourable Clayton Manness	Chairperson
Honourable James Ernst	
Honourable James Downey	
Honourable Harold Neufeld	
Honourable Glen Findlay	

MANAGEMENT OF THE CORPORATION

Stephan R. Barg, President & Chief Executive Officer

PUBLIC INVESTMENTS CORPORATION

OF MANITOBA

Corporate Profile

The Manitoba Legislature established the Public Investments Corporation of Manitoba through Part II of *The Crown Corporation Accountability Act*, assented to on July 17, 1987 and proclaimed into force September 1, 1987.

The legislated objects of the Corporation are:

a) to advise the Lieutenant Governor in Council on matters relating to designated Crown corporations and designated activities of any other Crown corporations, boards, commissions, agencies or like bodies;

b) to give direction as to matters of policy to designated Crown corporations and designated activities of any other Crown corporations, boards, commissions, agencies or like bodies;

c) to monitor the results of any designated Crown corporations, boards, commissions, agencies or like bodies.

1988 Activities

Early in 1988, a Provincial general election was called. During the period of the campaign, and the period following it, the Corporation's policy advisory activities were quiescent. Following the election, the government determined that the Corporation would be closed. *The Crown Corporations Public Review and Accountability and Consequential Amendments Act*, which will repeal the Corporation's enabling legislation, was given Royal Assent in December, 1988.

Designated Crown Corporations

A.E. McKenzie Co. Ltd.

Channel Area Loggers Ltd.

Communities Economic Development Fund

Manfor Ltd.

Manitoba Data Services

Manitoba Development Corporation

Manitoba Energy Authority

Manitoba Hazardous Waste Management Corporation

Manitoba Hydro-Electric Board

Manitoba Liquor Control Commission

Manitoba Mineral Resources Ltd.

Manitoba Oil and Gas Corporation

Manitoba Public Insurance Corporation

Manitoba Telephone System

Moose Lake Loggers Ltd.

Venture Manitoba Tours Ltd.

Manitoba

THE PUBLIC INVESTMENTS CORPORATION OF MANITOBA

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the statement of financial position of The Public Investments Corporation of Manitoba as at December 31, 1988 and the statement of expenses and recoveries for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of The Public Investments Corporation of Manitoba as at December 31, 1988 and the results of its operations for the year then ended in accordance with the accounting policies described in note 2 to the financial statements, on a basis consistent with that of the preceding four month period.

F. H. Jackson, C.A.
Provincial Auditor.

February 24, 1989
Winnipeg, Manitoba

THE PUBLIC INVESTMENTS CORPORATION OF MANITOBA

Statement of Financial Position
As at December 31, 1988

	1988	1987
ASSETS		
Cash	**$ 341,711**	$ 126,550
Accounts receivable, note 3	**91,130**	119,250
Assessments receivable, note 4	**82,767**	562,166
Furniture and equipment, note 5	**32,947**	--
TOTAL ASSETS	**$ 548,555**	$ 807,966
LIABILITIES		
Accounts payable and accrued liabilities:		
Province of Manitoba, note 6	**$ 521,634**	$ 418,220
Other	**26,921**	39,746
Notes payable - Province of Manitoba, note 7	--	350,000
EQUITY		
Share capital, note 8	--	--
TOTAL LIABILITIES AND EQUITY	**$ 548,555**	$ 807,966

The accompanying notes are an integral part of these financial statements.

THE PUBLIC INVESTMENTS CORPORATION OF MANITOBA

Statement of Expenses and Recoveries

EXPENSES

	12 Months Ended December 31, 1988	4 Months Ended December 31, 1987
Personnel	$270,572	$139,555
Occupancy	25,317	--
Professional services	9,803	10,100
Office administration	22,994	1,301
Travel	7,587	9,483
Finance	23,288	8,202
Other	10,261	1,154
Depreciation	7,438	--
TOTAL EXPENSES	$ 377,260	$ 169,795
RECOVERABLE FROM CROWN CORPORATIONS note 2 c	$ 377,260	$ 169,795

The accompanying notes are an integral part of these financial statements.

THE PUBLIC INVESTMENTS CORPORATION OF MANITOBA

Notes to Financial Statements
December 31, 1988

1. **Status and objects of the Corporation**

The Public Investments Corporation of Manitoba was established effective September 1, 1987, by The Crown Corporation Accountability Act. The legislation establishes a framework for the supervision of designated Manitoba Crown corporations and their accountability. The Corporation was created to give direction on matters of policy and to monitor the operations of designated Crown corporations. In these notes designated Crown corporations means those Crown corporations, boards, commissions, agencies or like bodies scheduled in the Act.

In December 1988, The Crown Corporations Public Review and Accountability and Consequential Amendments Act was passed by the Manitoba Legislature and received Royal Assent. Upon proclamation of this Act, the Corporation's affairs will be closed out pursuant to the Act.

2. **Significant accounting policies**

a) General

The financial statements have been prepared in accordance with generally accepted accounting principles, except for the accounting for pensions and recoveries from designated Crown corporations, as set out in notes 2 b and c.

b) Pensions

Officers and employees of the Corporation participate in the Civil Service Superannuation Fund. The Corporation follows the same practice for reporting its pension expense and obligations as the Government of the Province of Manitoba. Pension expense is recorded when pension disbursements are made to retired employees. As no pension disbursements were required to be made for the year ended December 31, 1988, the Corporation has not recorded any pension expense for this period. Provision has not been made in the accounts to fund current or past service obligations to the Fund. An actuarial evaluation has not been made to determine the extent of any unfunded liability existing for the Corporation's officers and employees.

c) Recoveries from Crown corporations

The Corporation assesses fees pursuant to The Crown Corporation Accountability Act and the related Order-in-Council to recover its costs, as shown in the Statement of Expenses and Recoveries, from designated Crown corporations.

2. **Significant accounting policies** (continued)

c) Recoveries from Crown corporations (continued)

Services paid for by the Government of the Province of Manitoba and provided to the Corporation at no charge are not included in those costs. The services included accommodation, furniture and office equipment. Management estimates the value of the services to have been approximately $5,000 per month. These services were provided at no charge until June 30, 1988. After that date the Corporation incurred the cost of those services and included them in the Statement of Expenses and Recoveries.

Professional and administrative services provided by the staff of the Department of Crown Investments at no charge to the Corporation are also not included in the costs recorded in the Statement of Expenses and Recoveries. Management estimates the cost of those services to have been a minimal amount. The arrangement concluded early in 1988, when the Department ceased operations.

d) Fixed Assets

Furniture and equipment are recorded at cost. Depreciation is calculated on a straight-line basis over the estimated useful life of five years.

3. **Accounts receivable**

The Corporation undertakes to provide certain professional and other services to specific Crown corporations. The costs of these services are recovered from the specific Crown corporations. The costs and recoveries are included in accounts receivable and have been excluded from the Statement of Expenses and Recoveries.

For the year ended December 31, 1988, the costs incurred for services undertaken on behalf of specific Crown corporations amounted to $1,115,802 (1987 - $321,215), of which $91,130 (1987 - $119,250) is shown as accounts receivable on the Statement of Financial Position.

4. **Assessments receivable**

These receivables consist of:

	1988	1987
- the balance recoverable for the Corporation's costs, as explained in note 2 c	$82,767	$169,795
- the balance recoverable for the expenditures of the Department of Crown Investments, as explained in note 6	0	392,371
	$ 82,767	$562,166

5. **Furniture and equipment**

	1988	1987
Furniture and equipment at cost	$ 39,087	--
Less accumulated depreciation	6,140	--
	$ 32,947	--

6. **Accounts payable and accrued liabilities - Province of Manitoba**

The Government of the Province of Manitoba approved the recovery of the expenditures of the Department of Crown Investments for the fiscal year ended March 31, 1988 from Crown corporations. The Corporation has assumed responsibility for the administration of the recovery of the expenditures and the remittance of the recoveries to the Province. **Accounts payable and accrued liabilities - Province of Manitoba** includes an amount of $505,010 (1987 - $392,371) with respect to expenditures of the Department of Crown Investments for the year ended March 31, 1988.

7. **Notes payable**

The Corporation issued the following interest-bearing notes to the Province of Manitoba:

September 17, 1987	$ 250,000
October 23, 1987	100,000
	$ 350,000

Interest, at the bank floating prime rate, was payable quarterly. The notes were repayable on demand and were repaid by the Corporation on December 19, 1988. All interest owing was fully paid on the same date.

8. **Share capital**

The Corporation may issue shares only to the Minister of Finance of Manitoba. The authorized share capital of the Corporation consists of ten million common shares without par value. No shares have been issued.

9. **Comparative figures**

The Corporation was established on September 1, 1987, as explained in note 1. Amounts from 1987 have been reclassified where necessary to conform to the 1988 presentation.